

House Engrossed

**FILED**

**KEN BENNETT  
SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Fiftieth Legislature  
Second Regular Session  
2012

CHAPTER 72

## **HOUSE BILL 2399**

AN ACT

AMENDING SECTION 41-1008.01, ARIZONA REVISED STATUTES; RELATING TO THE STATE AGENCY FEE COMMISSION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 41-1008.01, Arizona Revised Statutes, is amended to  
3 read:

4 41-1008.01. State agency fee commission; membership; duties

5 A. The state agency fee commission is established consisting of the  
6 following members:

7 1. Six members who are appointed by the governor, four who are private  
8 sector professionals from diverse sectors who represent entities that are  
9 licensed or permitted by the state and two who are state agency executives.

10 2. Three members of the senate who are appointed by the president of  
11 the senate, not more than two of whom are members of the same political  
12 party.

13 3. Three members of the house of representatives who are appointed by  
14 the speaker of the house of representatives, not more than two of whom are  
15 members of the same political party.

16 4. The director of the governor's office of strategic planning and  
17 budgeting.

18 B. The governor shall appoint one ~~member~~ of the LEGISLATIVE MEMBERS  
19 APPOINTED TO THE commission as chairperson of the commission AND SHALL  
20 APPOINT ONE MEMBER OF THE COMMISSION AS THE VICE-CHAIRPERSON. Commission  
21 members serve at the pleasure of that person's appointing officer and are not  
22 eligible to receive compensation or reimbursement of expenses.

23 C. The commission shall:

24 1. Review all state agencies, except those exempted in the commission  
25 bylaws AND ANY STATE AGENCY WHOSE EXECUTIVE IS AN ELECTED OFFICIAL, THE  
26 ARIZONA SUPREME COURT AND THE ARIZONA COURT OF APPEALS, at least once in each  
27 five-year period, beginning October 1, 2011 or whenever the commission deems  
28 necessary.

29 2. Establish a fee review process of state agencies.

30 3. Issue an annual, comprehensive report that includes all of the  
31 following:

32 (a) ~~An analysis INVENTORY of the fees assessed by each of the reviewed~~  
33 ~~agencies. The analysis shall include a comparison of this state's agencies~~  
34 ~~with other, similar agencies in other southwestern states as well as a~~  
35 ~~comparison with nationwide trends.~~

36 (b) An analysis of the methods used by agencies to set fees. THE  
37 ANALYSIS MAY INCLUDE A COMPARISON OF THIS STATE'S AGENCIES WITH OTHER SIMILAR  
38 AGENCIES IN OTHER SOUTHWESTERN STATES AS WELL AS A COMPARISON WITH NATIONWIDE  
39 TRENDS.

40 (c) An analysis of the effects that fees currently have on regulated  
41 industries, businesses or consumer groups for each agency AS PROVIDED TO THE  
42 COMMISSION THROUGH WRITTEN COMMENTS, TESTIMONY OR ANY ANALYSIS PERFORMED BY  
43 THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING.

44 (d) An analysis of the long-term sustainability of the regulated  
45 program based on all fund sources.

1 (e) A list of agencies to be reviewed in the following year.

2 (f) An analysis of the effects recent budget reductions and fund  
3 transfers have had on agencies AND THEIR FEE FUNDS.

4 ~~D. At its first meeting, the commission shall adopt bylaws to govern~~  
5 ~~issues related to the conduct of the commission business and potential~~  
6 ~~conflicts of interest.~~

7 D. THE COMMISSION MAY ANALYZE AND DISCUSS THE CURRENT PROCESS FOR  
8 INCREASING FEES, INCLUDING EMERGENCY FEE RULE AUTHORITY, AND MAKE  
9 RECOMMENDATIONS TO IMPROVE THAT PROCESS. THE COMMISSION SHALL SUBMIT ANY  
10 RECOMMENDATIONS TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER  
11 OF THE HOUSE OF REPRESENTATIVES. THE COMMISSION SHALL MAKE ANY  
12 RECOMMENDATIONS AVAILABLE TO THE PUBLIC ON THE WEBSITES OF THE GOVERNOR'S  
13 OFFICE OF STRATEGIC PLANNING AND BUDGETING AND THE LEGISLATURE.

14 E. Agencies selected for review by the commission shall cooperate with  
15 the commission and shall provide information as requested by the commission.

16 F. The commission may use the services of the staff of the governor's  
17 office of strategic planning and budgeting as required.

18 G. On or before December 31, 2011, the commission shall:

19 1. Submit its ~~first~~ annual report to the governor, the president of  
20 the senate and the speaker of the house of representatives. ~~The commission~~  
21 ~~shall~~

22 2. Provide a copy of the report to the secretary of state.

23 3. MAKE ITS ANNUAL REPORT AVAILABLE TO THE PUBLIC ON THE WEBSITES OF  
24 THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING AND THE  
25 LEGISLATURE.

APPROVED BY THE GOVERNOR MARCH 21, 2012.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 22, 2012.

Passed the House February 28, 2012

Passed the Senate March 20, 2012

by the following vote: 57 Ayes,

by the following vote: 29 Ayes,

0 Nays, 2 Not Voting

0 Nays, 1 Not Voting

[Signature]  
Speaker of the House

[Signature]  
President of the Senate

[Signature]  
Chief Clerk of the House

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

20 day of March, 2012

at 3 o'clock P M.

[Signature]  
Secretary to the Governor

Approved this 21<sup>st</sup> day of

March.

at 1:50 o'clock P. M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 22<sup>nd</sup> day of March, 20 12

at 3:14 o'clock a M.

H.B. 2399

[Signature]  
Secretary of State